

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7185**

**BILL NUMBER:** SB 309

**DATE PREPARED:** Jan 19, 2001

**BILL AMENDED:**

**SUBJECT:** Medicaid Funding of Nursing Facilities.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** X

**GENERAL  
DEDICATED  
FEDERAL**

X

**IMPACT:** State

**Summary of Legislation:** This bill allows nursing facilities that are owned and operated by a governmental entity to receive payments that are permitted under applicable federal statutes and regulations.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill *permits, but does not require*, the Office of Medicaid Policy and Planning (OMPP) to increase Medicaid reimbursement rates for government-owned and operated nursing facilities to the extent allowed by federal statutes and regulations. Consequently, any fiscal impact that may result from this provision is subject to administrative discretion.

Expenditures in the Medicaid program are shared with the federal government. The state share is currently about 38%, while the federal share represents about 62%. The federal financial participation rate changes annually.

**Explanation of State Revenues:** See Explanation of State Expenditures, above, regarding federal financial participation in the Medicaid program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:** Kathy Gifford, OMPP, (317) 233-4455.